

MID PENN BANCORP INC  
Form 10-Q  
August 09, 2010  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-13677

**MID PENN BANCORP, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Pennsylvania**  
(State or Other Jurisdiction of

**25-1666413**  
(I.R.S. Employer Identification Number)

Incorporation or Organization)

**349 Union Street**

**Millersburg, Pennsylvania**  
(Address of Principal Executive Offices)

**17061**  
(Zip Code)

**(717) 692-2133**

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

As of August 9, 2010, there were 3,479,780 shares of the registrant's common stock outstanding, par value \$1.00 per share.

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<i>Unless the context otherwise requires, the terms "Mid Penn", "we", "us", and "our" refer to Mid Penn Bancorp, Inc. and its consolidated subsidiaries.</i>	

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PART I FINANCIAL INFORMATION****Consolidated Balance Sheets (Unaudited)****ITEM 1 Financial Statements**

<b>(Dollars in thousands, except share data)</b>	<b>June 30, 2010</b>	<b>December 31, 2009</b>
<b>ASSETS</b>		
Cash and due from banks	\$ 7,075	\$ 7,526
Interest-bearing balances with other financial institutions	1,007	1,434
Federal funds sold	6,464	
<b>Total cash and cash equivalents</b>	<b>14,546</b>	<b>8,960</b>
Interest-bearing time deposits with other financial institutions	40,627	38,604
Available for sale investment securities	57,229	47,345
Loans and leases, net of unearned interest	472,702	480,385
Less: Allowance for loan and lease losses	(8,031)	(7,686)
<b>Net loans and leases</b>	<b>464,671</b>	<b>472,699</b>
Bank premises and equipment, net	13,548	12,904
Restricted investment in bank stocks	4,029	4,029
Foreclosed assets held for sale	656	663
Accrued interest receivable	2,682	2,781
Deferred income taxes	2,908	2,257
Goodwill	1,016	1,016
Core deposit and other intangibles, net	354	369
Cash surrender value of life insurance	7,504	7,368
Other assets	5,725	7,015
<b>Total Assets</b>	<b>\$ 615,495</b>	<b>\$ 606,010</b>
<b>LIABILITIES &amp; SHAREHOLDERS EQUITY</b>		
Deposits:		
Noninterest bearing demand	\$ 58,311	\$ 55,943
Interest bearing demand	56,060	42,148
Money Market	155,676	107,295
Savings	26,678	26,169
Time	235,395	268,460
<b>Total Deposits</b>	<b>532,120</b>	<b>500,015</b>
Short-term borrowings	2,111	16,044
Long-term debt	27,971	38,057
Accrued interest payable	2,005	1,750
Other liabilities	3,326	3,440
<b>Total Liabilities</b>	<b>567,533</b>	<b>559,306</b>
Shareholders Equity:		
Preferred stock, par value \$1,000; authorized 10,000,000 shares; 5% cumulative dividend; 10,000 shares issued and outstanding at June 30, 2010 and December 31, 2009	10,000	10,000
Common stock, par value \$1 per share; 10,000,000 shares authorized; 3,479,780 shares issued and outstanding at June 30, 2010 and December 31, 2009	3,480	3,480
Additional paid-in capital	29,817	29,824

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Retained earnings	3,903	2,627
Accumulated other comprehensive income	762	773
Total Shareholders' Equity	47,962	46,704
Total Liabilities and Shareholders' Equity	\$ 615,495	\$ 606,010

*The accompanying notes are an integral part of these consolidated financial statements.*

**Table of Contents****MID PENN BANCORP, INC.****Consolidated Statements of Operations (Unaudited)**

(Dollars in thousands, except per share data)	Three Months Ended		Six Months Ended	
	June 30, 2010	2009	June 30, 2010	2009
<b>INTEREST INCOME</b>				
Interest & fees on loans and leases	\$ 6,996	\$ 7,161	\$ 13,708	\$ 13,804
Interest on interest-bearing balances with financial institutions	208	384	424	840
Interest and dividends on investment securities:				
U.S. Treasury and government agencies	189	158	352	334
State and political subdivision obligations, tax-exempt	281	287	538	572
Other securities	3	3	6	7
Interest on federal funds sold and securities purchased under agreements to resell	8		11	1
<b>Total Interest Income</b>	<b>7,685</b>	<b>7,993</b>	<b>15,039</b>	<b>15,558</b>
<b>INTEREST EXPENSE</b>				
Interest on deposits	2,348	2,609	4,820	5,511
Interest on short-term borrowings	2	40	13	59
Interest on long-term debt	310	613	680	1,301
<b>Total Interest Expense</b>	<b>2,660</b>	<b>3,262</b>	<b>5,513</b>	<b>6,871</b>
<b>Net Interest Income</b>	<b>5,025</b>	<b>4,731</b>	<b>9,526</b>	<b>8,687</b>
<b>PROVISION FOR LOAN AND LEASE LOSSES</b>				
	925	479	1,085	1,412
<b>Net Interest Income After Provision for Loan and Lease Losses</b>	<b>4,100</b>	<b>4,252</b>	<b>8,441</b>	<b>7,275</b>
<b>NONINTEREST INCOME</b>				
Trust department income	50	62	104	123
Service charges on deposits	324	386	656	737
Earnings from cash surrender value of life insurance	68	68	136	141
Gain on life insurance proceeds				158
Mortgage banking income	72	33	142	75
Other income	387	312	679	568
<b>Total Noninterest Income</b>	<b>901</b>	<b>861</b>	<b>1,717</b>	<b>1,802</b>
<b>NONINTEREST EXPENSE</b>				
Salaries and employee benefits	2,156	2,021	4,262	4,121
Occupancy expense, net	194	231	449	436
Equipment expense	335	306	693	544
Pennsylvania Bank Shares tax expense	117	100	219	201
FDIC Assessment	203	395	404	523
Legal and professional fees	143	215	281	354
Director fees and benefits expense	78	66	154	143
Marketing and advertising expense	75	266	143	460
Computer expense	124	120	260	223
Telephone expense	92	82	179	158
(Gain) Loss on sale/write-down of foreclosed assets	(12)	4	120	36
Intangible amortization	16	16	32	32
Other expenses	531	519	1,125	978
<b>Total Noninterest Expense</b>	<b>4,052</b>	<b>4,341</b>	<b>8,321</b>	<b>8,209</b>

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INCOME BEFORE PROVISION FOR (BENEFIT FROM) INCOME TAXES	949	772	1,837	868
Provision for (benefit from) income taxes	158	59	311	(58)
NET INCOME	791	713	1,526	926
Preferred stock dividends and discount accretion	129	129	257	257